



HOUSE OF REPRESENTATIVES

HB 2592

nonprofit corporations; electronic voting

Prime Sponsor: Representative Ackerley, LD 2

DP Committee on Banking and Financial Services

DPA Caucus and COW

X As Transmitted to the Governor

OVERVIEW

HB 2592 allows a written ballot to be delivered to the members of a non-profit corporation through an online voting system.

PROVISIONS

1. Authorizes a written ballot to be delivered through an online voting system to the members of a non-profit corporation provided that a notice is sent to members stating the vote will be conducted by electronic means.
2. Requires the online voting system to do all of the following:
 - a. Verify the member's identity.
 - b. Verify the validity of each electronic vote.
 - c. Transmit a receipt to each member who casts an electronic vote.
 - d. Store electronic votes for recount, inspection and review purposes.
3. Adds that the notice to members stating that a vote will be conducted through electronic means must include a reasonable procedure by which a member may obtain and cast a ballot through some other form of delivery.

CURRENT LAW

Pursuant to [A.R.S. § 10-3708](#), members of a non-profit organization may take action without a meeting if the corporation delivers a written ballot to every member entitled to vote on an issue. The written ballot must set forth and provide an opportunity to vote for or against each proposed action.

In order for a proposed issue to be approved by a written ballot: 1) the number of votes cast by ballot must equal or exceed the quorum required to be present at a meeting authorizing the action, and 2) the number of approvals must equal or exceed the number of votes needed to approve the proposed issue at a meeting.